



Department  
Of  
Economic and Community Development  
59 Statehouse Station  
Augusta, Maine 04333

## **POLICY STATEMENT #10**

**Subject:** ***HUD Revised Section 8 Income Guidelines***  
***Effective: January 28, 2004***

**Revised:** 02/04

Enclosed are the HUD income guidelines for lower and very low-income families, (the words "low and very low" are equivalents for the terms low and moderate income that are typically used by the CDBG program) pursuant to Section 8 of the U.S. Housing and Community Development Act of 1974, as amended. These amounts are set forth by dollar amount and family size. They are based on estimates of State and county median incomes.

These income guidelines must be used to determine the income eligibility of individual applicants for assistance from all CDBG funded programs.

The income limits are listed by dollar amount and family size, and are provided for each Metropolitan Statistical Area (MSA), Primary Metropolitan Statistical Area (PMSA), and Nonmetropolitan County in the attached list.

Section 8 income limits are used to determine if an applicant for the Public Housing, Section 8, or other program (CDBG) subject to Section 3(b)(2) meets the relevant income eligibility requirement for admission. The revised income limits are based on HUD estimates of median family income for the most current fiscal year, which are in turn based on, updated 2000 Census estimates.

The use of the new metropolitan area definitions leads to both increases and decreases in median family income estimates and income limits. Use of FMRs rebenchmarked with 1990 Census data also produces some changes in income limits. No further rebenchmarking of income limits is anticipated until after the next Census, except due to occasional changes in metropolitan area definitions. The eligibility for continued program participation by those already receiving HUD assistance is not affected by decreases in income limits.

By statute, the definition of "very low-income" is tied to '50 per centum of median family income" for an area, and the definition of "low-income" is tied to '80 per centum of the median family income" for the area. As required by statute, the meaning of the term "area" is affected by whether the local median family income is less than the respective State's nonmetropolitan

median family income. In addition, the statute provides for adjustments to income limits for areas which unusually high or low incomes in relation to housing costs.

Income limits are calculated using formula relationships. The first step is to calculate what they would be if no adjustments are needed for unusually high or low incomes or housing costs. Adjustments are then made only if the resulting income limits are outside of formula constraints. More specifically, the very low-income limit for a four-person family is set as the higher of:

- 50 percent of the area median family income; or,
- 50 percent of the State nonmetropolitan median family income for the State in which all or most of the area is located; or,
- The income at which 35 percent of income would pay for a unit renting at 85 percent of the typical rent for an existing two-bedroom unit in the area, as measured by the Section 8 Fair Market Rent (FMR) standard.

The purpose of the last calculation is to adjust for areas where rental-housing costs are unusually high in relation to the median income level. A parallel adjustment to constrain income limits is made for a small number of areas where rental-housing costs are unusually low relative to income levels. The guideline used is that the maximum income limit for a four-person very low-income family is set such that 30 percent of that amount will permit a family to afford a unit renting at 120 percent of the FMR. In no instance, however, are income limits set below those based on the State nonmetropolitan median income level.

Most low-income limits are based on 80 percent of the appropriate area median family income estimate. For areas where very low-income limits were adjusted because of unusually high or low income-to-housing-cost ratios, the low-income limits also were proportionately adjusted. As in previous years, the U.S. Median family income estimate is used as a “cap” on the four-person limit.

The family size adjustment factors required by statute are intended to provide higher income limits for larger families and lowers income limits for smaller families. The factors used are as follows:

Number of Persons in Family and Percentage Adjustments

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
70%	80%	90%	Base	108%	116%	124%	132%

Income limits for families with more than eight persons are not included in the printed lists because of space limitations. For each person in excess of eight, 8 percent of the four-person base should be added to the eight-person income limit. All income limits are rounded to the nearest \$50 to reduce administrative burden.

For purposes of HUD programs, income limits approved for Indian Trust Lands remain in effect unless superseded by higher income limits.

HUD field offices with assisted housing program responsibilities are responsible for maintaining complete and up-to-date records of all current income limits established for areas within their jurisdiction. Notice of all income limit revisions should be promptly distributed to

program participants, and Field Offices should be prepared to make income limits available to the public upon request.

Requests from the public for sets of national or regional income limits may be referred to HUD USER, whose toll-free number is 1-800-245-2691. Questions related to how these income limits apply to the programs of State and other Federal agencies should be referred to those agencies. Questions concerning the methodology used to develop these income limits are addressed in the briefing material supplied to all HUD field economists and also available through HUD USER.

### **MSA Towns in Maine**

<b>Bangor MSA</b>	In Penobscot County:	Bangor Brewer Eddington Glenburn Hampden Hermon Holden	Kenduskeag Milford Old Town Orono Orrington Penobscot Indian Nat. Veazie
	In Waldo County:	Winterport	
<b>Lewiston Auburn MSA</b>	In Androscoggin County:	Auburn Greene Lewiston Lisbon Mechanic Falls	Poland Sabattus Turner Wales
<b>Portland MSA</b>	In Cumberland County:	Cape Elizabeth Casco Cumberland Falmouth Freeport Gorham Gray Long Island North Yarmouth	Portland Raymond Scarborough South Portland Standish Westbrook Windham Yarmouth
	In York County	Buxton Limington	Hollis Old Orchard Beach
<b>Portsmouth Rochester MSA</b>	In York County:	Berwick Elliot Kittery	South York

STATE: MAINE Effective: 1/28/04

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PROGRAM		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Bangor, ME MSA									
FY 2004 MFI: 52600	VERY LOW INCOME	18400	21050	23650	26300	28400	30500	32600	34700
	LOW-INCOME	29450	33650	37850	42100	45450	48800	52200	55550
Lewiston--Auburn, ME MSA									
FY 2004 MFI: 49500	VERY LOW INCOME	17350	19800	22300	24750	26750	28700	30700	32650
	LOW-INCOME	27700	31700	35650	39600	42750	45950	49100	52250
Portland, ME MSA									
FY 2004 MFI: 62700	VERY LOW INCOME	21950	25100	28200	31350	33850	36350	38850	41400
	LOW-INCOME	35100	40150	45150	50150	54150	58200	62200	66200
Portsmouth--Rochester, NH--ME PMSA									
FY 2004 MFI: 69600	VERY LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
	LOW-INCOME	39000	44550	50100	55700	60150	64600	69050	73500
Androscoggin County									
FY 2004 MFI: 51000	VERY LOW INCOME	17850	20400	22950	25500	27550	29600	31600	33650
	LOW-INCOME	28550	32650	36700	40800	44050	47350	50600	53850
Aroostook County									
FY 2004 MFI: 41300	VERY LOW INCOME	16600	18950	21350	23700	25600	27500	29400	31300
	LOW-INCOME	26550	30350	34150	37900	40950	44000	47000	50050
Cumberland County									
FY 2004 MFI: 53000	VERY LOW INCOME	18550	21200	23850	26500	28600	30750	32850	35000
	LOW-INCOME	29700	33900	38150	42400	45800	49200	52600	55950
Franklin County									
FY 2004 MFI: 43700	VERY LOW INCOME	16600	18950	21350	23700	25600	27500	29400	31300
	LOW-INCOME	26550	30350	34150	37900	40950	44000	47000	50050
Hancock County									
FY 2004 MFI: 50300	VERY LOW INCOME	17600	20100	22650	25150	27150	29150	31200	33200
	LOW-INCOME	28150	32200	36200	40250	43450	46700	49900	53100
Kennebec County									
FY 2004 MFI: 49800	VERY LOW INCOME	17450	19900	22400	24900	26900	28900	30900	32850
	LOW-INCOME	27900	31850	35850	39850	43050	46200	49400	52600
Knox County									
FY 2004 MFI: 50800	VERY LOW INCOME	17800	20300	22850	25400	27450	29450	31500	33550
	LOW-INCOME	28450	32500	36600	40650	43900	47150	50400	53650
Lincoln County									
FY 2004 MFI: 51700	VERY LOW INCOME	18100	20700	23250	25850	27900	30000	32050	34100
	LOW-INCOME	28950	33100	37200	41350	44650	48000	51300	54600

STATE: MAINE Effective Date: 1/28/04

-----I N C O M E L I M I T S-----

	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Oxford County									
FY 2004 MFI: 44600	VERY LOW INCOME	16600	18950	21350	23700	25600	27500	29400	31300
	LOW-INCOME	26550	30350	34150	37900	40950	44000	47000	50050
Penobscot County									
FY 2004 MFI: 42300	VERY LOW INCOME	16600	18950	21350	23700	25600	27500	29400	31300
	LOW-INCOME	26550	30350	34150	37900	40950	44000	47000	50050
Piscataquis County									
FY 2004 MFI: 38500	VERY LOW INCOME	16600	18950	21350	23700	25600	27500	29400	31300
	LOW-INCOME	26550	30350	34150	37900	40950	44000	47000	50050
Sagadahoc County									
FY 2004 MFI: 54900	VERY LOW INCOME	19200	21950	24700	27450	29650	31850	34050	36250
	LOW-INCOME	30750	35150	39550	43900	47450	50950	54450	57950
Somerset County									
FY 2004 MFI: 42100	VERY LOW INCOME	16600	18950	21350	23700	25600	27500	29400	31300
	LOW-INCOME	26550	30350	34150	37900	40950	44000	47000	50050
Waldo County									
FY 2004 MFI: 47600	VERY LOW INCOME	16650	19050	21400	23800	25700	27600	29500	31400
	LOW-INCOME	26650	30450	34250	38100	41150	44150	47200	50250
Washington County									
FY 2004 MFI: 35900	VERY LOW INCOME	16600	18950	21350	23700	25600	27500	29400	31300
	LOW-INCOME	26550	30350	34150	37900	40950	44000	47000	50050
York County									
FY 2004 MFI: 55800	VERY LOW INCOME	19550	22300	25100	27900	30150	32350	34600	36850
	LOW-INCOME	31250	35700	40200	44650	48200	51800	55350	58900